

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 03/09/2009		Item Number: <u>C-8</u>	
AGENDA ITEM: Authorization of Payment of Non-Disputed Outstanding Invoices to Fast-Track Construction Inc. for the Firing Range Rehabilitation Project, P-832			
Contact Person/Dept.: Elaine Jeng/PW		Phone Number: 310-253-5621	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Public Notification: Fast-Track Construction Corporation on March 2 2009; Master E-Mail Notification List (03/04/09)			
Department Approval: Charles D. Herbertson 02/26/2009		City Attorney Approval: Carol Schwab (by H. Baker) (03/02/09)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (03/03/09)		City Manager Approval: Jerry B. Fulwood (03/04/09)	

RECOMMENDATION:

Staff recommends the City Council authorize the payment of \$58,885.85 for non-disputed outstanding invoices to Fast-Track Construction Inc. ("Fast Track") for the Firing Range Rehabilitation Project, P-832

BACKGROUND:

In January 2007 the City Council awarded a design-build contract to Fast Track for the design and construction of the Police Firing Range Project in the amount of \$581,772.25. After the award of the Project, soundproofing design was added. The soundproofing design provided by Fast Track would require the entire project cost to increase to \$1,015,368. While staff anticipated an increase to the Project cost, the final figure was beyond the available budget. More importantly, staff reviewed the proposed soundproofing design and questioned the need for all of the proposed components. Staff solicited the independent architecture firm of McClaren, Wilson and Lawrie Incorporated (MWL) to evaluate the proposed design by Fast Track and provided a peer review. The architect's opinion was that the proposed soundproofing system was over designed and more costly to construct than other soundproofing systems for similar firing ranges. MWL recommended that a more cost effective soundproofing system could be designed and constructed that would meet the existing budget and operational needs of the Police Department.

On August 25, 2008, the City Council terminated the design-build contract with Fast Track and directed staff to re-evaluate the soundproofing design and construction options so that the project can be completed.

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DISCUSSION:

The General Condition provision of the contract document indicates that upon contract termination, the City shall pay the Design-Builder for the work already performed under the Design-Build Contract up to the point of termination. After detailed review of the outstanding invoices from Fast Track, staff determined the outstanding final payment owed to Fast Track is \$58,885.85, including a retention of one of the already paid invoices of \$2,822.52.

Attached to this report is a list of the items for the total outstanding payment of \$58,885.85. Primarily, the final payment is comprised of the direct costs to the project subcontractors (electrical, HVAC, ballistic trap, architectural, and etc). Fast Track disputes this amount, contending they are entitled to the entirety of the general conditions (profit) for their involvement in the project rather than a portion of the general conditions based upon the percentage work completed. Staff disagrees with this assessment.

Staff is recommending the City Council approve the payment of \$2,822.52 for the retention held on an already paid invoice and the non-disputed subcontractor direct cost of \$56,648.61 for a total payment of \$58,885.85. This undisputed amount due to Fast Track has been reduced by \$5,467.23, an amount that is being withheld due to a stop notice that was recently filed by a subcontractor.

FISCAL ANALYSIS:

The Firing Range project (P-832) is funded by Asset Seizure Fund 416. The original budget for this project in FY 2004/05 was \$630,000, which was subsequently increased to \$930,000 in FY 2005/06. To date, approximately \$230,000 has been expended including the demolition phase and lead abatement phase of the Project, which was performed under a different contract with another contractor. Of the total expended amount, approximately \$65,400 was paid to Fast Track during the course of their contract. The remaining Project funding is approximately \$700,000 of which \$102,300 is set aside for the re-design services.

ATTACHMENTS:

A. Breakdown of Final Payment to Fast-Track

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MOTION:

That the City Council:

1. Authorize the payment of \$58,885.85 for non-disputed outstanding invoices to Fast-Track Construction Inc. for the Firing Range Rehabilitation Project, P-832 ; and
2. Authorize the payment of the amount withheld for the Stop Notice (\$5,467.23) upon resolution of the Stop Notice by the contractor.